



CITY OF SPRINGFIELD
PRESENTATION TO CITY COUNCIL
APRIL 6, 2010



OUTSTANDING BONDS AND NOTES PAYABLE



OBJECTIVE

- Provide a brief overview of City's debt structure as it relates to the issuance of bonds and notes
- Fifteen different project areas
 - Description of the project
 - Authorization for the project and associated debt
 - Amount of debt issued
 - Amount of debt requirements outstanding and how long into the future
 - How the debt is serviced (source of funds for repayment)

DEFINITIONS

- BOND AND NOTES ISSUED –
 - *Principal Amount of Original Debt Issued*
- DEBT REQUIREMENTS-
 - *Principal and Interest to be paid in the future*
- DEBT SERVICED-
 - *Source from which the debt is paid*



CITY OF SPRINGFIELD DEBT

- SPECIAL TAX ASSESSMENTS
- LAW ENFORCEMENT SALES TAX
- LEVEL PROPERTY TAX
- JORDAN VALLEY PARK
 - ▣ Hotel/Motel Tax
 - ▣ Expo Center, Hammons Field, and Univ. Plaza
- HEERS AND COLLEGE STATION
- BUSCH BUILDING




CITY OF SPRINGFIELD DEBT

- CRIME LAB
 - PARTNERSHIP INDUSTRIAL CENTER WEST
 - SMALL BUSINESS DEVELOPMENT LOAN
 - PARKS
 - ▣ Improvement Projects
 - ▣ Cooper Tennis
 - AIRPORT
 - GOLF
 - SANITARY SEWER SYSTEM
- 




SPECIAL TAX ASSESSMENT ISSUES

- Issued to construct sanitary sewers and neighborhood improvements
 - Elections held August 6, 1996, and April 5, 2005, to authorize \$10 million and \$12.5 million general obligation bonds.
 - \$17.335 million issued to-date leaving \$5.165 authorized for future issues
 - \$675,000 issued for Lone Pine Green Space Neighborhood Improvement Project
 - At June 30, 2010, outstanding debt service of \$17.1 million, payable through 2025
 - Debt serviced through special tax assessments to benefited property owner
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LAW ENFORCEMENT SALES TAX ISSUES

- Election held November 4, 1997 – approved $\frac{3}{8}$ cent tax for 4 years and then $\frac{1}{4}$ cent after year 4
 - Bonds issued to fund law enforcement related capital projects
 - 800 Megahertz Trunk Radio System
 - Southside Police Station (15,000 sq. feet)
 - Police Headquarters Renovation
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LAW ENFORCEMENT SALES TAX ISSUES

- Bonds issued for \$14.654 million with \$7.3 million in debt service outstanding at June 30, 2010, payable through 2024
 - Debt serviced from the Law Enforcement Sales Tax
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LEVEL PROPERTY TAX ISSUES

- Elections held August 3, 1999, February 6, 2001, and February 4, 2004
 - Bonds issued for storm water projects; storm warning system; construction and improvements of city facilities, including public safety improvements; construction, renovation and relocation of fire stations; and property acquisition to implement Vision 20/20 recommendations
 - Bonds issued for \$81.4 million with \$80.1 million in debt service outstanding at June 30, 2010, payable through 2029
 - Debt serviced through the 27 cent level property tax levy
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JORDAN VALLEY PARK ISSUES

- HOTEL/MOTEL TAX – 1.75 CENTS
 - ▣ Election held February 1998 – 1.75Cents dedicated to the development of JVP and the construction of the JVP Ice Park
 - Exposition Center; Hammons Field; and University Plaza Hotel
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JVP ISSUES – HOTEL/MOTEL TAX

- Issued for JVP Phase I and II property acquisition, the Hammons Field site, and the construction and equipping of the Ice Park
 - Bonds issued for \$30.3 million with \$37.3 million in debt service outstanding at June 30, 2010, payable through 2030
 - The debt is serviced from the Hotel/Motel 1.75 Cent levy, \$150,000 from Mediacom for naming rights over 10 years, and the General Fund
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JVP ISSUES – Expo Center, Hammons Field, and Univ. Plaza Hotel

- Issued for the construction of the Exposition Center, site preparation and architect fees for Hammons Field, and improvements to the University Plaza Hotel
 - Bonds issued for \$33.5 million in 2002 and 2003 for these projects with approximately \$47.2 million in outstanding debt service outstanding at June 30, 2010, payable through 2028
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JVP ISSUES – Expo Center, Hammons Field, and Univ. Plaza Hotel

- The Expo Center debt is serviced through the Convention and Entertainment Community Improvement District (C & E CID) and the Jordan Valley Park Tax Increment Financing District (TIF) . The C & E CID is also authorized to levy a property tax in the district when the CID and TIF do not generate sufficient revenue to meet the debt requirements.
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JVP ISSUES – Expo Center, Hammons Field, and Univ. Plaza Hotel

- Debt for Hammons Field and University Plaza Hotel improvements is guaranteed by Mr. Hammons, his wife, and upon death, as part of a Revocable Trust Agreement.




HEERS AND COLLEGE STATION

- In May 2007, City Council authorized the issuance of \$16.675 million in Special Obligation Bonds to provide funds for the design and construction of two parking garages
 - Heers Parking Garage
 - 375 spaces
 - College Station Parking Garage
 - 393 spaces
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HEERS PARKING GARAGE

- Bonds issued for \$5.745 million with \$8.7 million in debt service outstanding at June 30, 2010, payable through 2027
 - Debt serviced through new revenue generated by MODESA LITE, a 1% Community Improvement District Sales Tax, and a 1% Transportation Development District Sales Tax (presently inactive)
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COLLEGE STATION PARKING GARAGE

- Bonds issued for \$10.930 million with \$15.1 million in debt service outstanding at June 30, 2010, payable through 2027
 - Debt serviced through the incremental growth in both City and Greene County sales tax generated in the district, a 1% Community Improvement Sales Tax, a 1% Transportation District Development Sales Tax, and a parking participation payment from the developer
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HEERS AND COLLEGE STATION

- In addition to the revenues mentioned above, the General Fund could be exposed on average approximately \$1 million over the next 16 years. As retail in the area expands and generates additional sales tax, the General Fund exposure will decrease accordingly.
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BUSCH BUILDING

- In 1990, bonds issued for the purpose of renovating the Busch Building
 - In March 1997, bonds refunded through the issuance of \$6.4 million in refunding bonds
 - Debt service funded through General Fund appropriations through FY10
 - Final payment of \$626,318 due in FY11 payable from reserve funds for this issue with no further General Fund exposure for this bond issue
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CRIME LAB

- Crime Lab funded with proceeds from bonds issued under the level property tax portion of the City's debt, the State of Missouri budget, federal grant funds, and special obligation bonds
 - Project provided restoration and utilization of the vacant L.E. Cox Building adjacent to Jordan Valley Park
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CRIME LAB

- In 2007, City entered into an agreement with several local banks to issue \$2.7 million in special obligation bonds
 - Greene County agreed to share equally in the debt service with the City's 50% appropriated from the General Fund over the life of the debt
 - Bonds require semi-annual interest payments until April 2012, when principal becomes due
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CRIME LAB

- In 2008, special obligation bonds in the amount of \$1.8 million were issued through the State of Missouri with the anticipation of the City receiving lease payments and a final purchase amount sufficient to service the debt.
 - Currently, the State has appropriated \$1.6 million for the purchase of the facility. The City will redeem the bonds once the Crime Lab is purchased by the State.
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PARTNERSHIP INDUSTRIAL CENTER WEST

- In September 2001, City Council authorized the issuance of \$4.08 million in certificates of participation to acquire real estate necessary for an industrial park
 - Debt serviced from revenues from sale of lots in PIC West
 - To date, City received \$1.042 million from lot sales
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PARTNERSHIP INDUSTRIAL CENTER WEST

- Remaining debt service at June 30, 2010, of \$1.379 million will be paid from the remaining proceeds from lot sales (\$567,130) and the reserve fund of \$409,000
 - Without further lot sales in next 15 to 18 months, the General Fund will be obligated to fund remaining shortfall of approximately \$401,671 in FY12
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SMALL BUSINESS DEVELOPMENT

- In 2004, City Council authorized the issuance of \$3.490 million in taxable revenue bonds to partially fund the cost of facilities necessary for the development of housing units in the central business district and for the funding of small business development loans.
 - The debt service payments are funded from the payments received from the small business development loans. The \$2.9 million debt obligation remaining at June 30, 2010, is payable through FY23.
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PARK ISSUES

- In 1995, bonds issued for park improvement projects
 - Remaining \$237,663 in debt service outstanding at June 30, 2010, payable through 2015
 - Debt serviced from the operational revenues of the park's system
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PARK ISSUES

- In September 2005, bonds in the amount of \$2.8 million issued to fund a major expansion of the Cooper Tennis Complex
 - Debt service of \$3.2 million outstanding at June 30, 2010, payable through 2025
 - Debt service paid from the operations of the Cooper Tennis Center
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AIRPORT

- In 2001, the Capital Project Finance Authority issued fixed rate revenue notes in the amount of \$34.455 million for the purpose of extending and reconstructing runways and other projects at the Airport
- The \$11.6 million in debt service outstanding at June 30, 2010, payable through 2020 from the operational revenues of the Airport




AIRPORT

- In December 2006, debt issued in the amount of \$96.9 million for the purpose of building a new airport terminal
 - The \$158 million in debt service outstanding at June 30, 2010, payable through 2037 from the operational revenues of the Airport
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AIRPORT

- In March 2009, \$6.955 million in bonds issued to construct car rental facility at the Airport
 - Airport Board established a customer facility charge effective September 1, 2008 of \$4.50 per contract day to provide a stream of revenue to meet the debt service requirements on the bonds
 - The \$11.7 million in debt service outstanding at June 30, 2010, payable through 2029
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GOLF

- In 1995, bonds were issued for golf course improvements
- 1995 bonds refunded in 2004 in the amount of \$2.5 million on behalf of the Golf Fund
- The debt service of \$328,916 outstanding at June 30, 2010, payable through 2015
- Debt serviced from operational revenues of the Springfield-Greene County Parks Golf Enterprise Fund




SANITARY SEWER SYSTEM

- Since 1990, the City issued \$97.8 million in State Environmental Improvement and Energy Resources Water Pollution Control and Drinking Water Revenue Bonds through the State's Revolving Fund and \$13 million through the State's Direct Loan Program
 - In 2004, approximately \$1.1 million in bonds issued by the Sewer Fund were refunded
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SANITARY SEWER SYSTEM

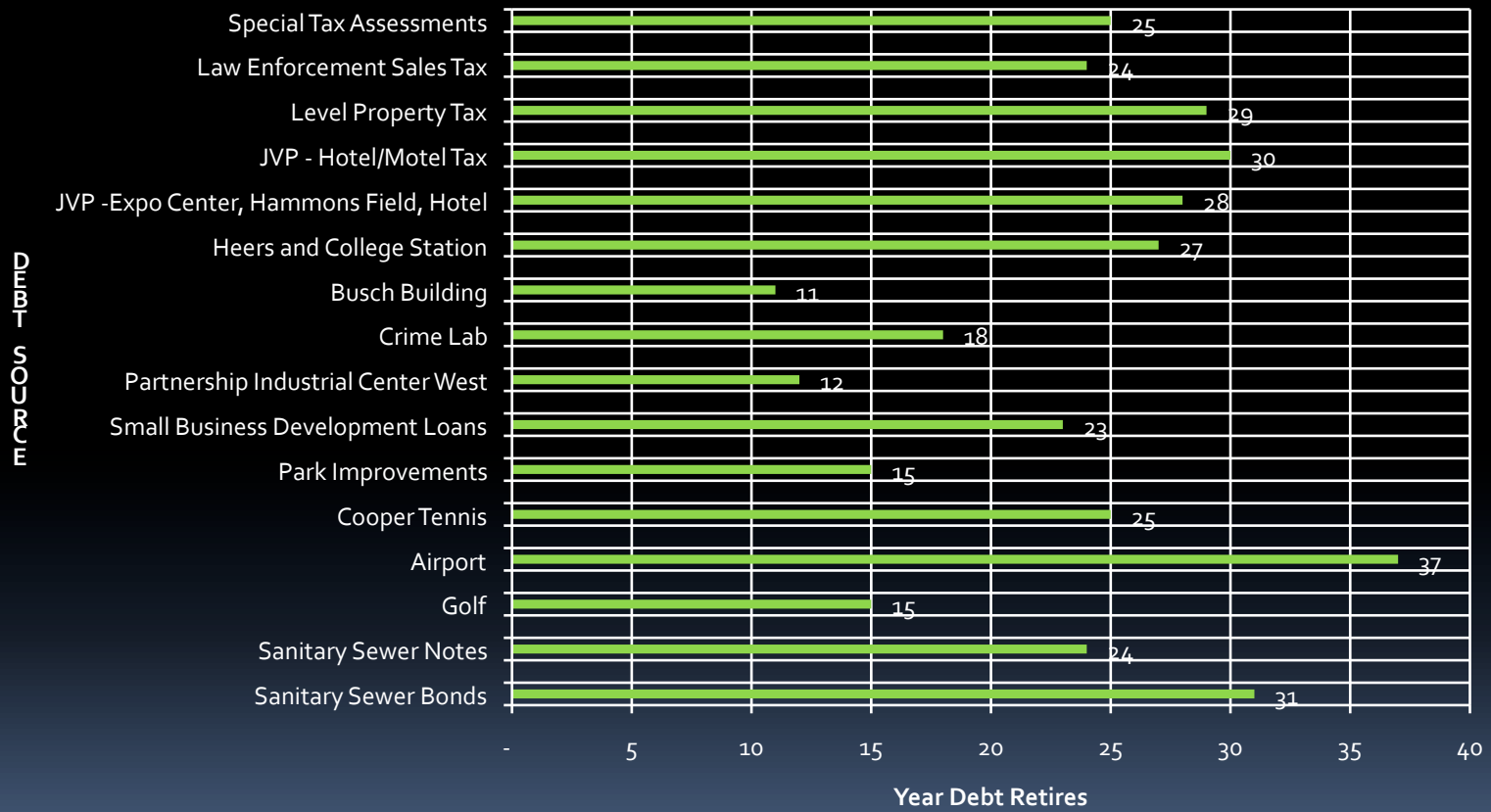
- The \$100.5 million in debt service outstanding at June 30, 2010, payable through 2031
 - Debt serviced from the operations of the Springfield Sanitary Sewer System
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SANITARY SEWER SYSTEM

- At June 30, 2010, \$37 million in noninterest bearing notes are outstanding. The funds held in reserve in the Sewer Fund are designated to repay the noninterest bearing notes. The notes were issued in conjunction with the State Environmental and Energy Resources Water Pollution bonds and serve to lower the interest rate on the bonds.

CITY OF SPRINGFIELD YEAR DEBT IS RETIRED



DEBT SERVICE REQUIREMENTS CITY OF SPRINGFIELD FY11-37



SUMMARY

- OUTSTANDING DEBT SERVICE \$545.1 Million
 - ▣ Restricted Reserves on hand \$ 91.5 Million
 - ▣ Dedicated Tax Levies/Assessments \$153.2 Million
 - ▣ Parks, Airport, Golf, and Sanitary Sewer Operations \$250.7 Million
 - ▣ Loan Payments, Land Sales, Naming Rights, and Partners \$ 20.1 Million
 - ❖ General Fund Exposure \$29.6 Million